

## Message Text

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ORIGIN AF-06

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 INT-05

GSA-01 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02

OPIC-03 LAB-04 SIL-01 L-02 H-01 /075 R

DRAFTED BY AF/W:MGWYGANT:BA

APPROVED BY AF/W-JOHN L. LOUGHRAN

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P 221546Z JAN 75

FM SECSTATE WASHDC

TO AMEMBASSY CONAKRY PRIORITY

C O N F I D E N T I A L STATE 014857

E.O. 11652:GDS

TAGS: BDIS, EMIN, GU, US

SUBJECT: NEW GOG BAUXITE TAX

REF: CONAKRY 82

FROM AF/W FOR AMBASSADOR

1. MARTIN-MARIETTA REACTION TO NEWLY ANNOUNCED GOG EXPORT TAX ON BAUXITE CLOSELY PARALLELS HALCO SENTIMENTS REPORTED REFTEL. WE UNDERSTAND COMPANY VIEWS SITUATION WITH SERIOUS CONCERN, FEELING ACTION COULD PLACE FUTURE OF BOKE OPERATION IN DOUBT. INITIAL OPINION OF MARTIN-MARIETTA'S LEGAL ADVISORS IS THAT NEW TAX DOES VIOLATE BASIC BOKE AGREEMENT. UNDER TERMS OF AGREEMENT, GUINEAN ACTION MAY HAVE TRIGGERED MECHANISM WHEREBY ALL OUTSTANDING LOANS BECOME IMMEDIATELY PAYABLE. (FYI - ONE MARTIN-MARIETTA SOURCE CONCEDES GUINEAN TAX, WHICH WOULD HIKE BAUXITE PRICE BY ABOUT DOLS 6 PER TON, IS NOT OUT OF LINE WITH RECENT JAMAICAN INCREASES - END FYI).

2. WASHINGTON REPRESENTATIVE OF ALCAN CALLED ON DESK OFFICER JAN. 21 FOR GENERAL DISCUSSION GUINEAN BAUXITE  
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SITUATION. HE WAS CAUTIOUS IN ASSESSING IMPACT OF NEW

GUINEAN TAX, BUT POINTED OUT ACTION MAY VIOLATE BASIC CONTRACTS. REP APPEARED PHILOSOPHICAL IN ANALYZING GUINEAN MOTIVES, PLACING TAX IN CONTEXT RECENT ACTIONS BY CARIBBEAN BAUXITE PRODUCERS AND GENERAL WORLD ECONOMIC SITUATION. IN THIS CONTEXT HE NOTED US ALUMINUM PRODUCERS

HAVE CUT PRODUCTION BY 10 PERCENT IN RECENT MONTHS DUE TO RECESSION CONDITIONS. ALUMINUM PRODUCTION IN OTHER WESTERN COUNTRIES IS ALSO DECLINING. NEED FOR BAUXITE IMPORTS WILL DECREASE OVER COMING MONTHS, IN ABSENCE UNEXPECTED ECONOMIC UPTURN IN INDUSTRIALIZED COUNTRIES.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BAUXITE, TAX CHANGES, GOVERNMENT REACTIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** buchant0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE014857  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** MGWYGANT:BA  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750024-0188  
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**Office:** ORIGIN AF  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 75 CONAKRY 82  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** buchant0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 AUG 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <26 AUG 2003 by BoyleJA>; APPROVED <10 DEC 2003 by buchant0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NEW GOG BAUXITE TAX  
**TAGS:** BDIS, EMIN, GV, US  
**To:** CONAKRY  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006